



Fiscal Note On: **HB** 601 HLS 99- 988

Bill Text Version: ORIGINAL

Opp Chamb Action: Sub Bill For:

Proposed Amd:

April 2, 1999 Date:

6:55 PM

Author: JR SMITH

Dept/Agy:

Louisiana Property Assistance Agency/ state or political subdivisions

Exchange of Surplus Property Subject:

Analyst: Stephanie Jackson

PUBLIC CONTRACTS

Purpose of Bill: (Constitutional Amendment) Provides for the donation or exchange of surplus property between or among agencies of the state or political subdivisions whose primary functions involve public safety

The proposed measure would result in increased expenditures for the Department of State for placing the constitutional amendment on the 1999 gubernatorial ballot. It would also result in decreased revenues and expenditures to the Louisiana Property Assistance Agency (LPAA).

ESTIMATED FISCAL IMPACT:

EXPENDITURES	<u>1999-00</u>	2000-01	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	5 YEAR TOTAL
State General Fd.	\$27,000	\$0	\$0	\$0	\$0	\$27,000
Agy. Self-Gen.	(\$1,591,587)	(\$1,591,587)	(\$1,591,587)	(\$1,591,587)	(\$1,591,587)	(\$7,957,935)
Stat. Deds./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	(\$1,564,587)	(\$1,591,587)	(\$1,591,587)	(\$1,591,587)	(\$1,591,587)	(\$7,930,935)
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REVENUES	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	5 YEAR TOTAL
REVENUES State General Fd.	1999-00 \$0	2000-01 \$0	2001-02 \$0	2002-03 \$0	2003-04 \$0	<u>5 YEAR TOTAL</u> \$0
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State General Fd.	\$0	\$0	\$0	\$0	\$0	\$0
State General Fd. Agy. Self-Gen. Stat. Deds./Other	\$0 (\$1,591,587)	\$0 (\$1,591,587)	\$0 (\$1,591,587)	\$0 (\$1,591,587)	\$0 (\$1,591,587)	\$0 (\$7,957,935)
State General Fd. Agy. Self-Gen.	\$0 (\$1,591,587) \$0	\$0 (\$1,591,587) \$0	\$0 (\$1,591,587) \$0	\$0 (\$1,591,587) \$0	\$0 (\$1,591,587) \$0	\$0 (\$7,957,935) \$0

EXPLANATION OF ESTIMATES:

EXPENDITURES:

The proposed measure would result in a decrease in expenditures to the LPAA in the amount of \$1,591,587 per year, as a result of decreased revenues by the same amount. This is because under the measure, state agencies or political subdivisions whose primary functions involve public safety would be able to donate or exchange surplus property between themselves without the involvement of the Louisiana Property Assistance Agency (LPAA). As a result, the LPAA would lose revenues in the amount of \$1,591,587 per year. These lost revenues would total \$7,957,935 over a five-year period. This reduction in revenues could result in the loss of 22 positions, which would in turn, decrease expenditures. In addition, lost revenues could impact LPAA's ability to track state property.

Additionally, the measure would result in an increase in expenditures for the Department of State in the amount of \$27,000 (only for FY 1999-00) for the cost of placing the constitutional amendment on the 1999 gubernatorial ballot. The Department of Elections has projected 10 constitutional amendments into their budget. If the number of constitutional amendments exceeds 10, there will be additional minimal cost.

The proposed measure would result in a decrease in revenues to the Louisiana Property Assistance Agency (LPAA) in the amount of \$1,591,587 per year and \$7,957,935 over a five-year period. The LPAA is an ancillary agency that is funded 100% from the sale of state surplus property. All funds are self-generated revenues from the sale of property that has been declared surplus by state agencies and who have turned the property over to the LPAA for sale to qualified buyers or through the public auction that is held each month.

If the proposed measure is passed, reorganization of the agency and a major reduction in staff would be imminent. The extent of these actions would be predicated on which state agencies and political subdivisions are declared as "primarily involved with public safety functions." There will be an estimated 40% reduction in revenue for the LPAA. This represents an estimated loss of sales to political subdivisions and state agencies whose primary functions involve public safety. It is assumed that there will be an additional demand for surplus property for the monthly auction that will not be met, resulting in an added decrease in revenue.

<u>Senate</u> <u>D</u>	ual Referral Rules	House		acens of Robin
□13.5.1 >= \$500,000 F	iscal Cost	6.8(F)	>= \$500,000 Fiscal Cost	
13.5.2 >= \$500,000 T	ay or Fee Change	☐ 6.8(G)	>= \$500,000 Tax or Fee Increase	Albert J. Robinson, Jr.
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